

THE HAWAIIAN GAZETTE

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Our Share In the War

WHETHER it be peace or war for the United States, and each day's delay is having a quieting effect upon the country and the peace balance is weighing down, this country cannot escape from the far-reaching effects of the unparalleled slaughter and destruction across the Atlantic. Such is the opinion of Henry Clews, who, writing on May 27, sums up the international situation as it stands and as he believes it will stand. "Escape from the injurious effects of Europe's Armageddon is impossible," he writes. "Whether we like to make the admission or not, American business affairs are dominated by this terrible cataclysm more than by any other single influence. While the struggle is on we will benefit in some respects as long as we maintain our position of neutrality and isolation. By so doing, we are enabled to supply many of the necessities which the belligerents must have but cannot themselves produce, except in insufficient quantities. The manufacture of implements of destruction on such a vast scale as is now going on in this country is depressing and not inspiring. Nevertheless, war materials must be had; and the more readily they are supplied the quicker will the contestants either come to their senses or be exhausted. The output of military supplies, particularly ammunition, in the United States is simply appalling, and must run into the hundreds of millions; some estimates being as high as \$300,000,000, although many of the published amounts are undoubtedly exaggerated by duplication. In consequence of these orders our exports continue to expand tremendously, and shipments on account of recent orders will be much heavier in the summer and autumn than now. Our imports meantime have suffered a material contraction, so that one of our leading government officials has been led to state that the current fiscal year will show an excess of about a billion dollars in exports. This is a fabulous balance, and is only one of numerous evidences of serious derangement in the world's international trade, which must now be still further disturbed by entrance of Italy into the contest. Such a huge balance can be adjusted in several ways, by gold imports, by merchandise imports, by security imports or by granting credits until any or all of these means of settlement are available. Gold we do not need; our present supply being \$1,890,000,000, which is undeniably large. Merchandise imports are and will be inevitably restrained by stoppage of production abroad. Security imports are not probable on a large scale under present conditions. The granting of credits to foreign nations has already been very extensive and promises to continue indefinitely.

"Thus it happens, that the war has created international banking movements of supreme interest, which no intelligent opinion as to the future of business in this country can afford to ignore. This war, which will cost Europe untold billions, not to speak of incalculable human misery, is being principally financed by England, whose financial resources are proving vastly beyond all possible expectation. In addition to her own huge outlays, she has made enormous loans to the Allies, France, Russia and Belgium, without as yet showing the least sign of undue strain. In all probability she has loaned big sums to Italy, and Rumania if she enters the war may soon be asking for needed loans which Germany has refused." London exchange is selling at a very much smaller discount than that of any other financial center in Europe. As the end of the struggle is not yet in sight, further expenditures on this same vast scale are inevitable; and for months to come England's vast financial abilities will be wholly absorbed in war finance. London will thus have little to spare for ordinary investments, and the world will be compelled to turn to New York as the only important financial center free to finance war or not at its pleasure. As a matter of fact, we are already giving the belligerents very material financial aid. Important credits have been granted to the Allies, much if not all of which is being expended here in munitions of war. The aid thus extended by the United States to Europe emphasizes our growing independence and strength in international finance. Such aid, needless to say, will be a very important factor in hastening an end of the war. This is its chief justification from either a moral or financial point of view.

"Our new banking system not only increases our financial resources and enables us to meet emergencies at home, but it places us on the high plane in international finance to which we are now fully entitled. It is not only steady and equalizing money rates at home, but it is already facilitating the entrance of the American banker into foreign enterprises, the fruit of which in due season will be a large growth in foreign orders for American producers. When the war is over, our opportunity will be more apparent than now. As a people we have not yet realized the great opportunities which this awful struggle will open to America. In reality we are facing a new era. Some of the greatest nations of the world will have to endure a considerable period of economic exhaustion. When peace comes, Europe will be obliged to look outside for supplies, and nowhere will they be more accessible than here. Agricultural crops, animal as well as vegetable, will be impaired throughout Europe for one and perhaps two years. We must partly fill the void. Europe's factories will be unable to satisfy demands, because many mills are destroyed and the supply of

skilled labor will be largely reduced. We must also supply this deficiency. Europe's savings will be greatly diminished or absorbed in local reconstruction, and we will be obliged to largely meet the demands for new capital. No such opportunity for American enterprise and expansion has been offered in this generation. South America, which has always depended upon Europe, is already looking for closer commercial relations with the United States in order to offset the rupture in her trade with Europe. When peace does come, it will involve not only important changes in boundaries, but also further vital changes in international trade. New tariffs will be devised; new lines of discrimination will be surely drawn between present belligerents. Much foreign trade will be lost to some of the belligerents, and perhaps entirely beyond recovery. No country stands to lose less from these deep-seated derangements than the United States, and no country is better prepared to take legitimate advantage of the new situation than the United States. There is no doubt that we are facing a new era of expansion in our foreign commercial relations; an era that promises great possibilities, provided we maintain a policy of cultivating just and friendly intercourse with all nations."

A Shipping Lesson

ONE of the great lessons of the war to the United States ought to be the demonstration of the value to any country doing or hoping to do a large foreign trade of a merchant marine. During the first eight months of war, the American merchant marine nearly doubled its cargo carrying as compared to the cargoes of the corresponding months a year ago, but even with this it only got a very small share of the business offering because of the disappearance of the German freight carriers. The Norwegians, Swiss and Danish ships got what the Germans lost, while the British cargoes fell off a fraction.

The values of the export cargoes carried in American bottoms increased in the eight months ending March 31, 1915, over the corresponding period a year ago, from \$111,700,000 to \$178,700,000; the British cargoes dropped in value from \$899,100,000 to \$893,900,000, while the Swedish, Danish and Norwegian cargoes in the same period increased from \$109,100,000 to \$258,300,000. The value of cargoes exported in German bottoms dropped from \$193,000,000 to nothing.

The lesson to be drawn from these figures is plain, but America is likely to get a plainer one, if the announced plans of the Pacific Mail are to be carried out. If the Pacific Mail cannot operate under the American flag, it is unlikely that others will be able to. Robert Dollar is already on record as being ready to re-transfer his ships from the American to another flag, while Atlantic ship-owners will in all probability do likewise as soon as the war risks have been removed.

Between Two Fires

AT the time when his secretary of state was urging the President to adopt a think-it-over-for-a-year policy concerning the torpedoing of American ships, another prominent Democrat, Henry Watterson of the Louisville Courier-Journal, was out-Teddying Roosevelt in his advice to the White House chief. Here is a sample of the messages to the President from the fire-eating Southerner:

"The men at the head of the German empire have completely lost their moral bearing and reason. They cannot be reached by any normal influence or friendly approach. All their proceedings show not merely indifference to the moral opinion of the world, but defiance of all human restraint. If it be your plan to parley, they will laugh in their sleeves. If your purpose be to appeal to their better nature, and so placate and educate them in righteousness, they will believe you are afraid of the German-American vote. People of the United States do not mean to press or hurry you, but they feel that nothing will come of diplomatic mouthing, and for the love of God that cannot approve the slaughter of the innocent, for the honor of a nation, for the glory of its flag, and in attestation of the prowess of its people and vitality of their institutions, take your own time about it. Say to the madmen of Berlin that the American Union will not recognize them as friendly or Christian while these barbarous claims are put forth, and these savage proceedings in the name of war are continued. It is up to you, Mr. President. Recall our representatives in Germany, send the German representative in America away, rid us of the presence of men who outrage our sensibilities by every utterance and insult our manhood by disregard of the respect they owe both their official positions and our pride of being. All else can wait the regular session of congress, which may, and will, take such action as is needed to maintain the neutrality which Germany has not and the wisdom to respect through it any other agencies than those of force and fear of consequences.

Between Peace-at-any-price Bryan and Up-and-At-'Em Watterson, the President's life cannot have been a very happy one during the past month.

Captain Greene of the S. S. Nebraskan wireless in to shore, while bringing his crippled ship back to Liverpool, that he "would be much surprised if it turned out to be deliberate torpedoing." After the Nebraskan was drydocked, his surprise came along in its proper order. It was definitely determined that a torpedo had done the trick.

A correspondent, a Korean, writes to call attention to the several killings that have taken place in Honolulu of late, preceding the recent murder on Liliha street, for which Pak Chi Sur is to die on the gallows next week, stating that in Hawaii only the very poorest and most ignorant slayers of their fellow men ever have to face the extreme penalty. It's a fact, and a pity it is.

Seasickness and Sugar

IF the Hawaiian sugar plantations were concentrated in two counties in Southern California every American who is proud of the achievements of his fellow countrymen would boast of the wonderful industrial results accomplished.

The board of trade of Peoria, Denver, Omaha, Detroit, or Atlanta would offer a million-dollar-site and a bonus to have the planters transfer their industry to the immediate environs of either one of those cities. They would fight our political battles for us to boot.

If our plantations needed another forty thousand Japanese laborers they would be forthcoming, immigration laws or no immigration laws. If there was any other prime necessity, the people of the State would fight to see that the industry got what it wanted.

However, the sugar plantations are not located on the mainland and they cannot be transferred there no matter how much bonus any city or State is willing to put up to induce us to change our location.

Instead, the Hawaiian sugar industry has got to stay put, right here in Hawaii, for climatic reasons.

The industry stands out as prominent as a bonfire on a mountain top, or as a small boy's sore thumb. There is no hiding it. Two thousand miles of deep, damp, wet, salt drink cuts off Hawaii from the American mainland.

Hence, the American mainland considers us with an aloofness born of that bodily distress that must be his if he comes to visit us. We are not his kind, he thinks. Our success at making sugar, at a profit, looks different from across two thousand miles of seasickness. Hawaii is a different breed of cats. Now, is all this as it should be?

Why is it that "Our Governor" and our mainland cousins everlastingly worry themselves sick about a lot of contingencies that never appeal to us who have to spend three hundred and sixty-five days a year in close touch with them? Industrial success used to be considered the goal of American ambition back in the States. What has Hawaii ever done that it has to be so different here?

We have got into the habit of making a go of everything we tackle. Isn't that American—to make the best of opportunity and natural resources? We do not do it their way, true enough, but if it is an achievement worthy of official boasting by the United States department of agriculture when a Utah farmer grows three thousand dollars' worth of sugar beet seed on one hundred acres of irrigated land, why isn't it an achievement when the Hawaiian planters grow five hundred dollars' worth of sugar on an irrigated acre?

What is the difference? Both employ plantation methods and hire Japanese to do the field work for them.

The only real difference so far as appears is that two thousand miles of seasickness which lies between the Californian fog-bank and sunshiny Hawaii.

Sugar Income

DURING the year ending March 1 last, notwithstanding the reduction of twenty-five per cent in import duty, sugar brought in round figures \$50,000,000 into the federal treasury. Not only was this by many times the largest amount yielded by any single item in the entire list of duty-paying articles, but the return from sugar was maintained at its normal volume at a time when receipts from other staple articles in the tariff list were dropping far below their customary level.

Figures just compiled show that during the twelvemonth from March 1, 1914, to March 1, 1915, the first year of the operation of the reduced tariff rate on sugar, the importations of this commodity amounted to approximately 2,246,000 long tons, and that the total amount of duty collected on this imported sugar was \$49,774,345. Had the rate of duty prevailing before 1914 continued in effect, the revenue return from this volume of importations would have been over \$68,000,000, or approximately \$19,000,000 more than actually was received.

How large a part sugar has played in meeting the necessary expenses of the nation is shown by the fact that during the past twenty years it has brought into the federal treasury almost exactly one billion dollars. The revenue from sugar alone is capable of providing the United States with half a dozen new battleships every year and of placing the nation in a practically impregnable position upon the sea, to take a single item from the field of national expenditure.

The returns under the reduced rate of duty for the one year that it has been in effect show that approximately \$50,000,000 of annual revenue will be sacrificed by the government with the admission of foreign sugar free of duty in 1916. With a deficit practically certain at the close of the present fiscal year on June 30, and the necessity of continuing large expenditures for governmental requirements, the further loss of this \$50,000,000 will add seriously to the burden of the federal government in providing adequate revenue.

"Uncle Joe" Cannon, on arriving at San Francisco, complained that in the negotiations with Germany there are too many notes and not enough action. If straws show the way the wind blows, there will be enough action even for Uncle Joe after the pending note reaches Berlin.

Some people think that we ought to wait a while and investigate before criticizing the silly remarks got off by Governor Pinkham in San Francisco on Monday. Bryan thought the same thing about the sinking of the Lusitania.

The Situation Today.

THE question of reducing the ravages of tuberculosis in Hawaii is simply a question of money intelligently used. In the tuberculosis bureau of the board of health, with the assistance of the various sanitaria supported wholly or in part by private philanthropy, we have the intelligence to use whatever funds may be provided. As yet the amount of money available for preventative and curative work has never been sufficient to meet the need.

Here is the situation in Hawaii today—and Hawaii has never been so prosperous as it is today, thanks to the folly of men who brought about the war in Europe:

Every sanitarium in the Territory is filled to capacity. Every sanitarium is caring today for more patients than estimated, makeshifts and emergency funds being called upon. Every sanitarium has reached its maximum limit. At the Leahi Home this morning are fifteen tubercular patients on the waiting list, six of them homeless. Two were found by the board of health men sleeping in the parks. Last night one boy, suffering from a recent hemorrhage, slept in the street. Those with whom he had been living, a poor family occupying only one tenement room for man, wife and three children, decided that they could not further endanger their children by having him also share the one room, as they have been doing.

The Leahi Home is caring for two more patients than its fund justifies. The city is paying for twenty patients, two more than it had contracted to pay for over the emergency limit. The Korean National Association is providing a sleeping place for four tubercular Koreans, but declines to run chances by allowing these four to have their meals in the association building. The association, instead, supplies the patients with a small amount to live on—and the four get their meals in the cheap restaurants. The Palama Settlement and the Associated Charities have exhausted their tuberculosis emergency appropriations and each is caring for the sick up to the limit of possibility.

A year ago a benefit baseball game was played between the All-Chinese and the Californians, which netted the Leahi Home emergency fund something like fourteen hundred dollars. This fund has cared for emergency cases to the number of fifty, and a dozen people are alive today because of the fact of that fund. At the present time four of the Leahi Home patients are being cared for from that fund, but it will be exhausted by the end of the present month.

It must not be inferred that the tuberculosis situation is growing worse. It is not; it is growing better. The knowledge of so many cases is only the result of the investigation work now being systematically carried on and the result of the wide publicity that has been given by the tuberculosis bureau to the fact that tuberculosis is a curable disease, even when it has gone far. Where, a short time ago, many with tuberculosis refused to accept treatment and spurned the offers of assistance, now the sick are coming to the board of health authorities and to the mission and charity workers and appealing for treatment and aid.

In Honolulu, where the hardest work has been done and where conditions make the best work possible, the death rate from tuberculosis last year was cut down twenty per cent. In the rest of the Territory it was held at a small gain over the previous year. There are today 1016 registered cases of tuberculosis in Hawaii, and if the good work of the past couple of years can be maintained, every case in the Territory will soon be known, and with the knowledge can come better supervision—if the money be available.

What, if anything, is to be done about it?

Unfair Criticism

CONGRESSMAN W. A. CULLOP has recently stated that Hawaii does not deserve protection for her sugar industry "because the plantations are now paying big dividends on a heavily watered capitalization."

As a matter of record the capitalization of forty-four sugar plantations as of January 1, 1915, was \$75,410,184. The assessed valuation of these properties for taxation purposes on the same date was \$71,442,656, leaving a margin of apparent "water" of less than four million dollars.

The taxation value of the plantations is fixed by the market value of their stock and the market value of the stock is in turn fixed by the earning capacity of the plantation. With only four or five exceptions there has never been any "watering" of the capital stock of any of the Hawaiian sugar plantations during the last forty years. More actual cash capital has been put into the business than is now represented by taxation values.

Furthermore it must be remembered that in Hawaiian practise property valuation for taxation purposes is one hundred per cent. In many States the basis is forty, fifty or some other per cent of the actual valuation of the property.

The Hawaiian sugar producers have always borne more than their fair share of the cost of government. In 1914 they paid taxes aggregating \$2615 on every ton of sugar produced—a higher rate than was probably paid by any product of any other industry of equal capitalization in the whole United States.

Specious and vague criticisms of Hawaiian methods and practises such as that made by Congressman Cullop do not stand the acid test. Hawaii welcomes fair-minded investigation, but we resent loose criticism based on hearsay and preconceived allegation. We acknowledge that there may be differences of political opinion among men and that facts may be subject to varying interpretation, but argument based on distortion of the truth convinces no one. Criticism based on such distortion is unfair.

MORE FISHERMEN
SUNK BY GERMANY

Undersea Hunters Also Get Two British Torpedo Boats and Dutch Trawler

(Associated Press by Federal Wire.)
LONDON, June 11.—Two British torpedo boats, each of 225 tons and carrying thirty-five men, were sunk yesterday by German submarines while doing patrol duty. Forty-one of the crews were rescued and twenty-nine lost.

Merchant losses were six trawlers and the steamship Erna Boldt, formerly German owned. All the crews were saved.

A Dutch trawler, the Letty, was torpedoed or struck a mine in the North Sea and the entire crew was drowned. Berlin admitted today the loss of a torpedo boat destroyer in an engagement with the Russian Baltic fleet.

Total deaths in the British navy since the war began, not including those incurred in the destruction of the Suberck and the Princess Irene while they lay in dock, were announced yesterday as 6490.

Premier Asquith announced that the total strength of the British army authorized is 2,200,000. Of this force probably less than one-third is now on the Continent.

HOW LIGHT IS DRAWN
AT NIGHT BY SOLDIERS

PARIS, May 20.—(Correspondence of the Associated Press)—A reservist writes from the trenches telling how light is drawn from the Germans when a soldier wants to see what time it is at night and has no watch.

"What time is it?" asked a young recruit of the class of 1914 at his listening post in the advanced trenches. No one had a watch and it was too dark to make out the time.

"If you want a light," said a territorial who had passed the winter in the trenches, "you have only to open a sharp fire on the trenches yonder."

The suggestion was acted on, and after a few shots in quick succession a star seemed to open out in the sky overhead. Fearing a surprise attack, the Germans had sent up a fuse to light the position.

"Now you can see your watch," said the territorial, "but don't try the ruse too often."

NEGROES WANT RIGHTS
IN DANISH WEST INDIES

COPENHAGEN, May 20.—(Correspondence of the Associated Press)—Hamilton Jackson, a negro representative of the native population in the Danish West Indies, has arrived in Copenhagen and conferred with the minister of finance and other government officials concerning grievances his constituents have against L. C. Helweg-Larsen, present governor of the islands, and his administration. Jackson urged that the negroes be permitted to vote, as almost every negro under thirty-six years of age is now able to read and write. He also urged improvement in the sanitary conditions and changes in the economic situation. The negroes asked, through Jackson, for the privilege of printing their own newspaper and holding public meetings.

The minister of finance gave Jackson an attentive hearing, and a state conference has been arranged for a date in June, when the governor, who is now on his way home, will discuss the insular situation with other officials. Jackson and his followers contend that another governor and a radical reform administration must be provided which is in sympathy with the progressive native population before the unrest can be quieted.

GERMAN MACHINE GUNS
ARE VERY BAD ACTORS

BRITISH HEADQUARTERS, France, May 20.—(Correspondence of The Associated Press)—It is still obvious that the extraordinary number of machine guns used by the Germans is one of the chief troubles of the allied forces. The German weapon is a very fine one, and in their preparation for war the Germans have trained large numbers of men to its use and they have studied its tactics as carefully as they have those of the regular artillery.

The machine gun requires tactics of its own, and some military experts say that it takes two years to train a man thoroughly in its use.

KAMEHAMEHA DAY NOTHING
TO U. S. DISTRICT ATTORNEY

A feeble effort was made by the district attorney yesterday in the federal court to have the further trial of Scully case go on today. The jury objected and Judge Clemons, in deference to the wishes of the jury and out of respect for the observance of Kamehameha Day, decided that the case should be resumed on Monday morning at half-past eight o'clock. The prosecution is not yet through with the case and it begins to look as if most of next week will be taken up with the trial.